

**Western Community Energy
Joint Meeting of the Board of Directors and
Technical Advisory Committee
July 8, 2020
Summary Minutes**

Item 4.A

1. CALL TO ORDER

The Joint Meeting of the Board of Directors and Technical Advisory Committee was called to order at 1:03 p.m. by Chair Ben Benoit on the Zoom virtual platform.

2. ROLL CALL

Board of Directors present:

Todd Rigby, City of Eastvale
Russ Brown, City of Hemet
Chris Barajas, City of Jurupa Valley
Ted Hoffman, City of Norco (1:09 p.m. arrival)
Rita Rogers, City of Perris (1:06 p.m. arrival)
Ben Benoit, City of Wildomar (Chair)

Technical Advisory Committee Members present:

Bryan Jones, City of Eastvale (1:26 p.m. arrival)
Rod Butler, City of Jurupa Valley
Andy Okoro, City of Norco
Ken Phung, City of Perris

Staff present:

Steve DeBaun, Legal Counsel, Best Best & Krieger
Ryan Barron, Legal Counsel, Best Best & Krieger
Rick Bishop, WRCOG Executive Director
Barbara Spoonhour, WRCOG Deputy Executive Director - Operations
Andrew Ruiz, WRCOG Chief Financial Officer
Tyler Masters, WRCOG Director of Western Community Energy
Casey Dailey, WRCOG Director of Energy & Environmental Programs
Princess Hester, RCHCA Director of Administration
Janis Leonard, WRCOG Administrative Services Manager
Don Ries, WRCOG Program Manager
Avie Barron, WRCOG Senior Analyst
Kyle Rodriguez, WRCOG Staff Analyst
Daniel Soltero, WRCOG Staff Analyst
Suzy Nelson, WRCOG Administrative Assistant
Ani Dhruva, WRCOG Intern

Guests present:

Craig Martin, Pilot Power
Denis Vermette, Pilot Power
Todd Warden, South Coast Air Quality Management District
James Muraca, Zen Ecosystems
James McPhail, Zen Ecosystems

3. PUBLIC COMMENTS

There were no public comments.

4. CONSENT CALENDAR - (Jurupa Valley / Norco) 6 yes; 0 no; 0 abstention. Items 4.A through 4.E were approved. The City of Canyon Lake was not present.

A. Summary Minutes from the June 10, 2020, Joint Meeting of the Board of Directors and Technical Advisory Committee are Available for Consideration.

Action: 1. Approved the Summary Minutes from the June 10, 2020, Joint Meeting of the Board of Directors and Technical Advisory Committee.

B. Financial Summary Update

Action: 1. Received and filed.

C. Program Schedule Update

Action: 1. Received and filed.

D. Regulatory and Legislative Activities Update

Action: 1. Received and filed.

E. Single Signature Authority Report

Action: 1. Received and filed.

5. REPORTS / DISCUSSION - Note: Items will be taken out of order, and one vote for all action items will be taken at the conclusion of all presentations.

A. Program Launch Update

Tyler Masters reported that the current opt-out rate is 4.71% regionally, still well under the projected proformas and assumptions. This week, there have been six organic opt-ups for a total of 40 customers who have opted-up from the default of 37% renewable energy rate up to the Choice Plus Plan, which is the 100% green sources energy rate plan. The Joint Rate Comparison (JRC) mailer was mailed at the end of June and provides a side-by-side comparison of WCE and Southern California Edison generation rates. Notice of any rate changes to either agency is to be posted to both agency's websites within 60 days of the effective rate change. JRC mailers are also prepared and sent to all customers every July.

Action: 1. Received and filed.

B. Non-Residential Client Engagement and Outreach Update

Don Ries reported that for commercial businesses which have multiple meters will have their bills combined into one. As of June 24, 2020, there have only been 466 customers opt-out of WCE for total rate of 3.2%. Over half of the top-tier clients and nine of the lower clients have committed to staying with WCE.

Staff are actively working with the consultants to bring a savings calculator online.

Southern California Edison is heading towards additional rate changes which will become effective October 1, 2020, and another in January 1, 2021.

Action: 1. Received and filed.

C. Emergency Customer Protections due to COVID-19

Andrew Ruiz reported that the California Public Utilities Commission (CPUC) passed a resolution requiring utility service providers to enact emergency customer protections. Some of the protections Southern California Edison (SCE) has adopted includes a payment plan, suspending disconnection due to non-payment, and discuss with CCAs its roles and responsibilities.

SCE has submitted a letter to the CPUC requesting to withdraw emergency protections for medium and large commercial customers, since the CPUC's original requirement did not require that. WCE, along with other CCAs, protested this, as well as more equitable payment share received by SCE. SCE indicated that it would submit a separate proposal for medium and large commercial customers, excluding small commercial and residential customers, therefore WCE withdrew its protest.

Barbara Spoonhour indicated that staff continue to have ongoing meetings with SCE every two weeks. The customer protections end April 2021 and SCE is developing a payment plan process.

Technical Advisory Committee member Andy Okoro asked if late payment penalties still apply and does WCE get a portion.

Mr. Ruiz responded that currently there are no late payment penalties.

Action: 1. Received and filed.

D. WCE Smart Thermostat Program Update

Tyler Masters reported that WCE customers who participate in SCE's income-qualified programs will still be able to participate in SCE's programs, with the exception of SCE's Smart Thermostat Program, formally known as the Smart Energy Program.

WCE enrolled nearly 1,300 customers who participate in SCE's Smart Energy Program into WCE service. WCE's Board directed staff to release a Request for Proposal to create a Smart Thermostat Program for WCE. A total of 11 proposals were received, and the top four were interviewed. Autogrid with Franklin Energy received the highest evaluation scores. It is anticipated that Autogrid could develop and launch the Program by the summer of 2021.

Moving forward with a formal Smart Thermostat Program (Option 1) would allow customers to participate in energy programs, and future Program expansion could include, for example, additional devices such as smart water heaters, energy battery storage, etc. The cost in moving forward with a formal Program is a little more costly that what was anticipated.

Moving forward with an informal Program (Option 2) would cost one-quarter of the formal Program, but WCE would not have full control over customers' thermostats, which could greatly lessen participation. This option would also allow staff time to research additional funding opportunities. In an informal Program, electricity savings are unable to be captured and quantified. There would also be no incentives for participation and would not allow the Program to expand to other technologies.

Lastly, staff can do nothing and wait (Option 3) and return to this Board in 2022.

Chairman Ben Benoit indicated perhaps the third option of wait and see is best.

Director Ted Hoffman indicated that if WCE waits to create a program, it will likely lose customers.

Director Rita Rogers indicated that WCE needs to create a program, as customers were told that WCE would have comparable programs to what SCE offers. Option 2 is more affordable.

Chairman Benoit asked if there is a savings to the overall cost for procuring energy.

Mr. Masters responded that there would be small savings.

Director Chris Barajas suggested Option 3 and informing the customers that WCE is still working on creating a program and will apply \$10/month credit for 4 months for total of \$40 cumulative to customers' bills next year.

Director Todd Rigby asked what the cost savings are in WCE controlling customers' thermostats.

Mr. Masters indicated that as part of the mass enrollment process, WCE also sent courtesy letters to SCE Smart Thermostat Program customers indicating that WCE would be providing a monthly credit of \$10 for four months (total \$40 credit) and that WCE would be looking into creating a comparable program.

Craig Martin indicated that SCE will be increasing its rates again in January 2021, while WCE is not currently expecting to unless SCE's rates impact WCE's.

Director Russ Brown indicated that customers were informed that WCE would be exploring the creation of an energy program. It would be a gesture of good faith to again provide customers a \$10 credit for four months while WCE is exploring its options for an energy program. Option 2 or 3 are favorable options.

Denis Vermette indicated that it is important to demonstrate to suppliers and bankers that WCE is building its reserves. WCE is also going to be making a balloon payment to SCE in July 2021 for Resource Adequacy, as SCE is procuring it on WCE's behalf.

Director Hoffman suggested additional research on Options 2 and 3.

Director Rigby suggested that WCE continue focusing on its reserves.

Director Benoit suggested option 3 and that staff continue to look for options to move forward with energy programs without having to fund the entire cost out of WCE reserves.

Mr. Masters indicated that staff will develop a letter to send to the affected 1,300 customers indicating that WCE is researching options for an energy program, and that the customers will receive a \$40 cumulative credit for four months during the 2020/2021 Fiscal Year.

Action: 1. Received and filed.

6. REPORT FROM THE EXECUTIVE DIRECTOR

Rick Bishop indicated that this is Barbara Spoonhour's last Board meeting prior to retirement.

Ms. Spoonhour expressed her pleasure in WCE launching.

Board members shared their thanks and appreciation.

7. ITEMS FOR FUTURE AGENDAS

There were no items for future agendas.

8. GENERAL ANNOUNCEMENTS

There were no general announcements.

9. NEXT MEETING : The next Joint Meeting of the Board of Directors and Technical Advisory Committee is scheduled for Wednesday , August 12 , 2020 , at 1:00 p.m., via Zoom platform .

10. ADJOURNMENT : The Joint Meeting of the Board of Directors and Technical Advisory Committee adjourned at 2:08 p.m.